

Message Text

UNCLASSIFIED

PAGE 01 LAGOS 11031 071818Z

65

ACTION L-03

INFO OCT-01 AF-06 ARA-10 EA-09 NEA-10 ISO-00 FEA-01 STR-04

ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 SAM-01 OES-05 SP-02 SS-15 TRSE-00 /129 W

----- 048777

R 071540Z NOV 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 1940

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY CARACAS

AMEMBASSY DOHA 0010

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT 118

AMEMBASSY LIBREVILLE

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY QUITO

UNCLAS LAGOS 11031

E.O. 11652: N/A

TAGS: ENRG, NI

SUBJECT: REQUEST FOR OFFICIAL INFORMATION ON CRUDE OIL

REF: (A) STATE 250957; (B) LAGOS 10536

1. TEXT OF LETTER INFORMING OIL COMPANIES OF NEW PRICES IS QUOTED BELOW. LETTER IS ONLY NOTIFICATION MADE BY FMG. INDUSTRY SOURCES CONVINCED NIGERIANS WENT ALONG WITH ALGERIAN PRESSURES AND INCREASED THE SIZE OF THE DIFFERENTIAL BETWEEN THEIR MARKER CRUDE AND SAUDI ARABIAN MARKER CRUDE FROM 89 CENTS TO 1 DOLLAR, THEN CRANKED IN 40 CENTS COMPANY MARGIN AND 80 CENTS/NOTIONAL UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 11031 071818Z

PRODUCTION COST TO ARRIVE AT DOLLARS 13.07 POSTED PRICE.

2. QUOTE: FED. MINISTRY OF PET. & ENERGY

BROAD STREET

LAGOS

10 OCTOBER 1975

THE MANAGING DIRECTOR
(ADDRESS OF VARIOSU OIL COMPANIES)

DEAR SIRS,

THIS IS TO INFORM YOU THAT THE FEDERAL GOVERNMENT HAS FIXED
THE FOLLOWING FISCAL AND PRICING CONDITIONS FOR THE 4TH QUARTER
(1ST OCTOBER - 31ST DECEMBER 1975)

PROSTED PRICE - DOLLARS 13.071/BBL FOR REF. API

34.00 -34.09 DEGREE

BUYBACK PRICE - DOLLARS 12.51/BBL FOR REF. API

34.00 -34.09 DEGREE

THE ESCALATION RATE WILL BE DOLLARS 003 PER 1/10 (ONE TENTH)
API DEGREE ABOVE THE REFERENCE GRAVITY UP TO A CUT-OFF POINT OF
40 DEGREE API. THE SAME RATE WILL APPLY IN RESPECT OF
DE-ESCALATION BELOW THE REFERENCE GRAVITY DOWN TO 30 DEGREE
API, WHILE THE RATE OF DOLLARS 0015 WILL APPLY FOR ANY CRUDE
OIL WHOSE GRAVITY FALLS BELOW 30.00 DEGREE API. THE FOREGOING
ASSUMES A 60-DAY CREDIT TERM. AN ADDITIONAL 10 CENTS/BARREL
FOR/EACH ADDITIONAL 30 DAYS OF CREDIT WILL BE CHARGED TO
COMPANIES WHO WISH TO CONTINUE TO OPERATE ON A 90-DAY CREDIT
BASIS.

THE PETROLEUM PROFIT TAX RATE OF 85 PERCENT AND 20 PERCENT
ROYALTY RATE WILL CONTINUE TO APPLY FOR ALL FISCAL CALCULATION
WITH A PRODUCTION COST OF 80 CENTS PER BARREL.

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PAGE 03 LAGOS 11031 071818Z

PLEASE ACKNOWLEDGE THE RECEIPT OF THIS LETTER AS SOON AS
POSSIBLE.

YOURS FAITHFULLY,

(F.R.A. MARINHO)
AG. DIRECTOR OF PETROLEUM RESOURCES.

UNQUOTE.

3. DEPARTMENT WILL NOTE PRICE APPLIES TO FOURTH QUARTER ONLY
AND MAKES NO COMMITMENTS ABOUT 1976 PRICES.
EASUM

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NNN

Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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06 JUL 2006

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